



# Ramsey County Options to Reduce Use of Criminal Fines and Fees

## Presentation to the County Board of Commissioners

### Presented By:

**David Eichenthal**  
**Sarah Schirmer**  
**Ron Serpas**  
**Randy Bauer**  
**Hannah Kohanzadeh**

October 22, 2019

---

PFM Group Consulting LLC  
50 South 6<sup>th</sup> Street  
Suite 2250  
Minneapolis, MN 55402  
612.338.3535

---

PFM Group Consulting LLC  
1735 Market Street  
43<sup>rd</sup> Floor  
Philadelphia, PA 19103  
215.567.6100



## Technical Assistance Project Plan

- ◆ Arnold Ventures (formerly Laura and John Arnold Foundation) provided PFM's Center for Justice & Safety Finance (CJSF) with \$1.2 million to support local jurisdictions that seek to eliminate or reduce their reliance on fines and fees to fund their criminal justice system operations.
- ◆ CJSF is providing technical assistance to Ramsey, Nashville-Davidson and Dallas Counties, developing a peer learning network, and working with relevant thought leaders to create a research base that will allow more counties to take up this work.
- ◆ The CJSF team collected data from County departments, met with the County's Fines and Fees Steering Committee, interviewed all relevant department heads, and met with men and women incarcerated in the Ramsey County Correctional Facility to:
  - Determine the County's current system of assessing and collecting fines and fees, and identify the state and local laws that govern their use;
  - Assess the revenue and cost impact of the current system; and
  - Develop a plan to phase out the use of fines and fees, including a set of options to save costs and raise alternative revenue, and a detailed implementation plan.



## Understanding Fines and Fees

### ◆ What are criminal fines and fees?

- *Fines* can be a useful means of punishing and deterring certain conduct; the amount is often determined by the level of offense or category of charge. Fines are typically found in courts.
  - *Fees* are a means to recoup or offset costs, and often supplement other revenue sources, such as tax dollars.
  - Vendors also charge fees for services like drug testing, classes or programs, alcohol or electronic monitoring, and goods and services in the detention facilities.
- ◆ For the purpose of our analysis, fines and fees do not include restitution, child support, forfeited assets, civil fees, and municipal fees.
- ◆ In the context of the criminal justice system, fines and fees can contribute to inequality and can be a regressive means of raising revenue.
- According to the American Bar Association (ABA), 60-90% of criminal defendants need publicly-funded attorneys.\*

\* "Paying for Your Time: How Charging Inmates Fees Behind Bars May Violate the Excessive Fines Clause," Brennan Center for Justice, 2014, note 57.



## Reducing Fines and Fees Are a Priority for Ramsey County

- ◆ Ramsey County has already taken steps to reduce reliance on fine and fee revenue:
  - In 2017, the Sheriff's Office eliminated a \$25 booking fee at its pretrial facility, the Adult Detention Center.
  - In 2018, Community Corrections reduced its probation supervision fee from \$300 to \$150 for clients on administrative probation for DWI offenses and other misdemeanor/ gross misdemeanor offenses. Probation officers can now also waive the fee for these clients if they complete their conditions of probation within six months of sentencing.
  - The Ramsey County Correctional Facility previously charged inmates for each nurse and dentist visit, prescription and over-the-counter medication, other medical costs and the notary. As of 2019, those services are provided free of cost.
  - The County Manager's proposed 2020-2021 budget reflects Community Corrections' proposal to eliminate fees for Chemical Health Assessments (\$125), Work Release (\$16/day), and admissions at the Correctional Facility (\$20).
  - The County released an RFP for the County Attorney's diversion program in July 2019 and requested vendors not propose to charge a participation fee.



## Assessment of Fines and Fees

◆ In Ramsey County, fines and fees are assessed by:

- Sheriff's Office
  - Vendor fees to deposit money into inmate accounts, access medical care, place phone calls, and send emails (see sample fees in Appendix)
- Second District Court
  - Fines and fees related to a conviction
  - Participation fees for specialty courts and vendor fees for court-ordered programs/monitoring
- Community Corrections
  - Project Remand: diversion fees (\$100-\$200); alcohol monitoring fees (\$9-\$10/day); GPS monitoring fees (\$20.75/day + \$45 installation)
  - Probation: supervision fees (\$150-\$300); chemical health assessment fee (\$125)
  - Ramsey County Correctional Facility: admissions fee (\$20); work release fee (\$16/day); electronic home monitoring fee (\$6-\$25/day); vendor fees to deposit money into inmate accounts, access medical care, place phone calls



## 2018 Collections of Fine and Fee Revenue

- ◆ In 2018, individuals paid **\$12.8 million** in criminal fines and fees to Ramsey County departments and their vendors, and Second District Court . The most significant fee is the Criminal/Traffic Surcharge, which is \$75 per case and produced \$2.8 million in revenue.
- ◆ 53% of fine and fee revenue is transferred to the State Department of Treasury, State Supreme Court, and other State-level departments.
- ◆ Ramsey County received \$1.08 million in fees in its general fund, the Law Library and Corrections Special Funds received \$1,442,300 and County vendors collected \$334,234.

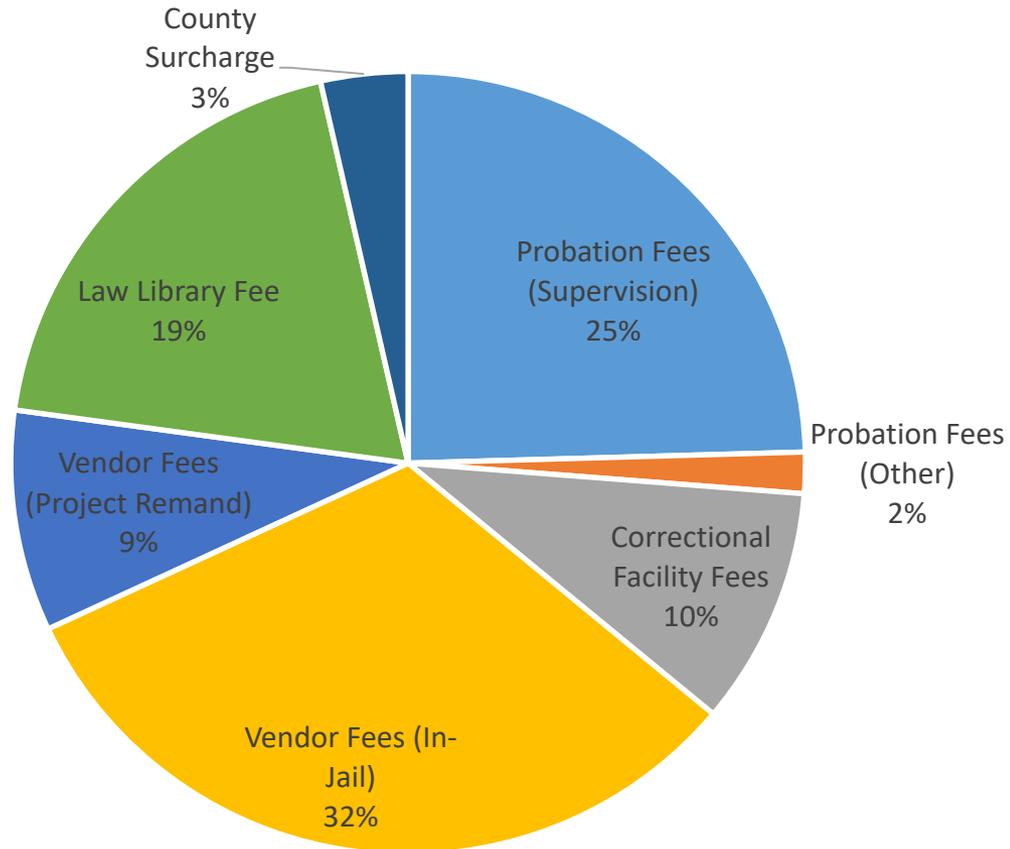
Revenue Recipient	2018 Collections (\$)	% of Collections
Ramsey County General Fund	1,085,024	8.5
Corrections Special Revenue Fund	874,996	6.9
Law Library Special Revenue Fund	567,304	4.4
Vendor/County Contractors	334,234	2.6
Second District Court	8,333	0.1
State (Treasury, Supreme Court, Other)	6,777,033	53.1
Other Cities	3,114,964	24.4
<b>Total</b>	<b>12,761,888</b>	<b>100%</b>



# Ramsey County Authorized \$2.9 Million in Fee Revenue in 2018

*\$1.08 Million was collected in the General Fund*

Fees Authorized by Ramsey County (\$2.9 Million)





## Allocation of Ramsey County Fine and Fee Revenue in 2018

- ◆ The County does not receive revenue from fines, and very little of the fee revenue is retained by the County.
  - Of all fine and fee revenue generated by the County's departments, vendors, and Court, only 8.5% returns to the County's General Fund.
  - More than 50% of the revenue goes to the State and another 24% is sent to cities within the County.
- ◆ Revenue from fees primarily goes to:
  - Offsetting the cost of community corrections
  - Funding the County Law Library
- ◆ In addition to the fees authorized by the Board of Commissioners, the County also receives about \$24,000 for its share of late fees and other statutory fees that support funding for its DARE program, the County Prosecutor, and the Sheriff's contingency fund.



## Financial Impact on the Individual and the Community

- ◆ Within Second District Court alone, ***there is over \$64 million in outstanding debt among cases in Ramsey County***, the vast majority of which is considered “delinquent” and has been owed for more than one year and up to ten years.
- ◆ Individual impacts vary greatly depending on the nature of the offense at conviction and whether the defendant is indigent. A defendant who misses the threshold for indigency, but lacks significant financial means, can still owe thousands of dollars in fines and fees.
- ◆ A Correctional Facility inmate said during the roundtable discussion, **“I’m just like any other mother, trying to feed and clothe my children, send them to school, and pay my family’s bills. But I have to make decisions about what I can buy them because I’m also trying to pay off my fines and fees.”**
- ◆ While Ramsey County limits its use of the power of the criminal justice system on defendants with unpaid fines and fees, there are still long term impacts on individuals:
  - The Court will suspend driver licenses for unpaid fines and fees related to moving violations. A suspended driver license can limit employment opportunities and can lead to canceled car insurance, and there are additional costs to reinstate a license and insurance. Further, while Ramsey County deputy sheriffs will not arrest for a suspended license, other city police officers may.



## Obstacles to Fine and Fee Reduction and Elimination

- ◆ The biggest obstacle is that the County has limited authority over the imposition of fines and fees, and judges can only approve repayment plans, they cannot waive all costs.
- ◆ State law requires that even indigent defendants pay a minimum fine of \$50 and a \$75 surcharge upon conviction.
  - While Ramsey County can reduce some fees, the majority of fees are set by Minnesota statute. Unlike fines, State law has no provision for waiving or reducing the \$75 Criminal/Traffic Surcharge, even when a defendant is indigent.
- ◆ The biggest concern expressed by stakeholders was fear that certain programs directly funded by fees would be reduced or eliminated if the fee was eliminated and the funding not replaced.



## Potential County Actions to Reduce Fees

### ◆ County Ordinance

- The Board of Commissioners can ***de-authorize the County Surcharge*** per MN Statute Sec. 357.021.
- The Board of Commissioners can ***set the Criminal Law Library Fee at \$0.***

### ◆ Budget and Policy

- In the proposed 2020-2021 budget and in the approved Fee Schedule, Community Corrections has already taken significant steps to reduce its reliance on fees by eliminating its Correctional Facility Admissions Fee, Chemical Health Assessment Fee, and Work Release Fee.
- The Board of Commissioners can authorize the elimination of ***probation supervision fees, including the telephone supervision fee, and the electronic home monitoring fee.***
- Community Corrections and the Sheriff's Office can ***forgive \$125,469 in outstanding debt.***

### ◆ RFP Process

- The Board of Commissioners and County departments can choose to ***directly fund its vendors for diversion, monitoring, and in-detention services*** like medical care, commissary deposits, and communications, rather than pass those costs onto defendants.
- Until the County directly funds all of its relevant contracts, it should ***demand greater transparency and accountability from its vendors*** in the form of audits, financial reports, and impact statements.



## Impact of Potential County Actions: \$2.72 Million

- The typical fines and fees for an indigent defendant convicted of a crime in Ramsey County and sentenced to probation totals \$436.
- If the County adopts these recommendations, the maximum cost to that same defendant would be \$125 – in other words, the cost of fines and fees to an indigent defendant in Ramsey County would be **reduced by more than 70%**.
- Since the 2020-2021 budget eliminates the Project Remand Diversion Supervision Fee, the Chemical Health Assessment fee, the Correctional Facility Admissions Fee, and Work Release Fee, those fees are not addressed by this plan’s revenue projections (\$221,905).

Fee	Recipient	Fee Amount (\$)	Projected Revenue Impact (\$)
Probation Supervision Fees	General Fund	150-300	722,096
Electronic Home Monitoring Fee	General Fund	6-25/day	171,691
<i>General Fund Subtotal</i>			<i>893,787</i>
Law Library Fee	Special Fund	10	567,304
Canteen and Phone Call Fees	Special Fund		874,996
<i>Special Fund Subtotal</i>			<i>1,442,300</i>
Ramsey County Surcharge	State Treasury	1	104,192
Project Remand Monitoring Fees	Vendor	5-21/day	213,721
Commissary Deposit Fee	Vendor	5.95/deposit	65,684
<b>Total</b>			<b>2,719,684</b>



## Potential State and Judicial Actions to Reduce and Eliminate Fines and Fees

- ◆ The State can 1) ***eliminate specific fines and fees***, 2) ***grant judges greater discretion to waive fines and the surcharge*** for indigent defendants, and 3) ***create a scaled approach for assessing fines and fees***.
- ◆ A scaled approach, such as ***day fines based on income***, would address the issue of ability to pay among defendants who don't meet the threshold of indigency, but have limited financial means. A day fine program could be piloted in Second District Court to assess feasibility and to quantify the impact on defendants and state/county revenue.
- ◆ As discussed, most authority to reduce and eliminate fines and fees lays with the State, particularly with respect to fines. In 2018, Minnesota departments collected nearly \$6.8 million from Ramsey County in fines and fees, 53% of fines and fees paid in the County. The largest portion of the revenue comes from the Criminal/Traffic Surcharge of \$75 assessed on every case (\$2.8 million).



## Options to Offset County Revenue Loss from Fines and Fees

### ◆ Avoided Costs

- Community Corrections has 1 FTE responsible for collecting fees, which can be eliminated as the department's fees are eliminated (\$87,463 annual savings)
- Since Ramsey County sends its debt to MN Department of Revenue to conduct revenue recapture, the County spends relatively little on collections

### ◆ Cost Savings Options

- Reduce probation caseload 10% through increased use of targeted early release of lower risk clients from probation (\$793,000 annual savings)
- Consolidate County and State Law Libraries (\$567,000 annual savings)

### ◆ Revenue Options

- Renegotiate Dakota County agreement for female inmate housing at Ramsey County Correctional Facility (\$440,000 annual revenue)
- Voluntary payments in lieu of taxes (PILOT) with tax-exempt property owners (up to \$2 million annual revenue)
- Increase property taxes



## Cost Savings Option: Reduce Probation Caseload and Headcount

- ◆ Since 2014, the number of Adult Probation clients on active probation has declined 15% while the number of FTEs for Adult Services increased slightly over the same period.
- ◆ At the same time, the risk makeup has shifted as a greater percent of clients are deemed low risk, a shift which further reduces caseload burden since low risk clients receive less intensive supervision than high risk clients.
- ◆ Nationally, only 15% of probationers in large urban counties remain on probation longer than three years, but in Ramsey County, 72% of clients were on probation longer than three years at the point of removal. The County also has one of the higher revocation rates in the state.
- ◆ The County should prioritize efforts to reduce violations and revocations, including granting early release to appropriate clients as a means to lower recidivism rates and the number of admissions for violations at the Correctional Facility.
- ◆ Community Corrections can remove 10% of its clients from its active caseload (approximately 830 people) by offering early discharge for more “Low” risk clients and offering early discharge to more clients who have been on probation more than three years. With this action, the department could phase in a headcount reduction of 10 FTEs through natural attrition over two years. The associated cost savings of salary and benefits is \$793,000 annually once the headcount reductions are fully implemented.



## Cost Savings Option: Consolidate County and State Law Libraries

- ◆ The Ramsey County Law Library is funded by fees imposed at criminal conviction and fees collected on civil cases as well. As of FY 2018, the Law Library Special Fund had a fund balance of \$1.9 million – or approximately two and a half times the annual budget.
- ◆ Just less than half of the budget (44% or \$343,000) is allocated to salary and benefits for the 3 FT and 1 PT staff members. Staff respond to reference questions (about 21 per day) and research requests (about 2 per day) from attorneys, inmates, and the public.
- ◆ The reason for a County Law Library is to provide access to legal materials to the public. However, the Minnesota State Law Library is also located in St. Paul, less than one mile from the County Law Library.
- ◆ The County and the Law Library Board of Trustees should eliminate the criminal Law Library fee and work to develop a consolidated law library with the State over the next year. In the interim, the Law Library could spend down its fund balance.
- ◆ In the absence of consolidation, the Law Library should consider increases in civil fees and subscriptions for access by law firms: Hennepin County charges law firms and attorneys for additional library materials, online databases and library services at a rate of \$85 per year.



## Revenue Option: Renegotiate Dakota County Agreement for Female Inmate Housing at Ramsey County Correctional Facility

- ◆ The Ramsey County Correctional Facility provides housing to female inmates from Dakota County pursuant to a negotiated joint powers agreement. In 2017, the average daily population of female inmates from Dakota County was 28.
- ◆ Under its agreement with Ramsey County for 2018 – 2019, Dakota County is paying a per diem of \$62 per inmate. According to the 2017 Facility Per Diem Costs and Rates Report, the variable cost of the Correctional Facility was \$11.26 per day and the fixed cost was \$156.78 per day, for a total per diem of \$168.04. In 2009, the Correctional Facility charged \$105/day to other counties.
- ◆ According to the Dakota County Sheriff, “All other local jails charge more per night boarded and are farther away than Ramsey County Correctional Facility.”\*
- ◆ The County has recognized that its Correctional Facility is costly to run. The County Manager’s 2020-2021 budget calls for closing a dorm at the Facility and reducing staffing.
- ◆ Even if the cost per day under the agreement with Dakota County were increased back to 2009 levels, the County would not fully recover its cost on a pure cost per day analysis, but its rate would still be competitive for Dakota County. At a rate of \$105 per day, the County would generate an additional \$440,000 in revenue in 2020.

\* “Joint Powers Agreement with Ramsey County for Boarding of Inmates at the Ramsey County Jail,” Presentation by Sheriff Time Leslie, Brian Kopperud, and Lisa Melquist to the Dakota County Board of Commissioners



## Thank You to the Members of the Fines and Fees Steering Committee

- ◆ Ramsey County formed a Steering Committee comprised of key community members, and criminal justice and finance representatives in order to accurately understand the full financial and personal impact of fines and fees. The Steering Committee members are:
  - Scott Williams, Deputy County Manager, Ramsey County Safety and Justice Service Team
  - Gwen Upton, Criminal Division Administrator, Second Judicial District Court Administration
  - Erica Schumacher, Strategic Initiatives and Community Relations Director, County Attorney's Office
  - Jennifer Schuster-Jaeger, Deputy Director of Administration, Ramsey County Community Corrections
  - Kyle Mestad, Administrative Division Director, Ramsey County Sheriff's Office
  - Sergey Kovalchuk, Controller, Ramsey County Safety and Justice Service Team
  - Tonja Honsey, We Rise
  - Mariah Wilberg
  - Gregory Jackson

# Questions



pfm



# APPENDIX



## Guiding Questions for the Ramsey County Plan

- ◆ What outcomes does the County hope to achieve through a reduction in reliance on fees and fines?
- ◆ What are the total revenues to the County that come from current use of fines and fees, and which departments receive a portion of the funds?
- ◆ What are the direct costs of collecting that revenue (e.g. court staff, contractors)?
- ◆ What are the indirect costs of collecting the revenue (e.g. police, sheriff, jail beds)?
- ◆ What is the financial impact on the community?
- ◆ Other than lost revenue, what are the obstacles to reducing or eliminating reliance on fines and fees?
- ◆ Are there cases where continued use of fines and fees in the criminal justice system is either necessary or beneficial?



## Example Fees in Adult Detention Center

*Ramsey County Comprehensive Fee Report 2020 - 2021*

Fee Name	Fee Amount (\$)
Commissary Account Deposit via Phone	5.95/deposit
Inmate Voicemail Messaging	3.95/voicemail
Instant Email	0.50/email
Instant Email (Deposit Fee)	7.95/deposit
Remote Video Visitation	7.99
Remote Video Visitation (Deposit Fee)	7.95/deposit



## 2018 Revenue from Fines and Fees by Assessing Department

- ◆ In 2018, Ramsey County departments, vendors, and Second District Court collected **\$12.8 million** in criminal fines and fees.
- ◆ The most significant fee is the Criminal/Traffic Surcharge, which is \$75 per case and produced \$2.8 million in revenue.

Department	2018 Fines (\$)	2018 Fees (\$)	2018 Total (\$)
Community Corrections (Probation)	n/a	772,102	772,102
Community Corrections (Correctional Facility)	n/a	288,821	288,821
Community Corrections (Project Remand, Vendor)	n/a	268,550	268,550
Correctional Care Services (In-Detention Medical Care)	n/a	Unknown	Unknown
Other In-Detention Goods + Services (e.g. Phone Calls)	n/a	940,680 (minimum)	940,680 (minimum)
Second District Court	4,212,493	6,279,242	10,491,735
<b>Total</b>	<b>4,212,493</b>	<b>8,549,395</b>	<b>12,761,888</b>

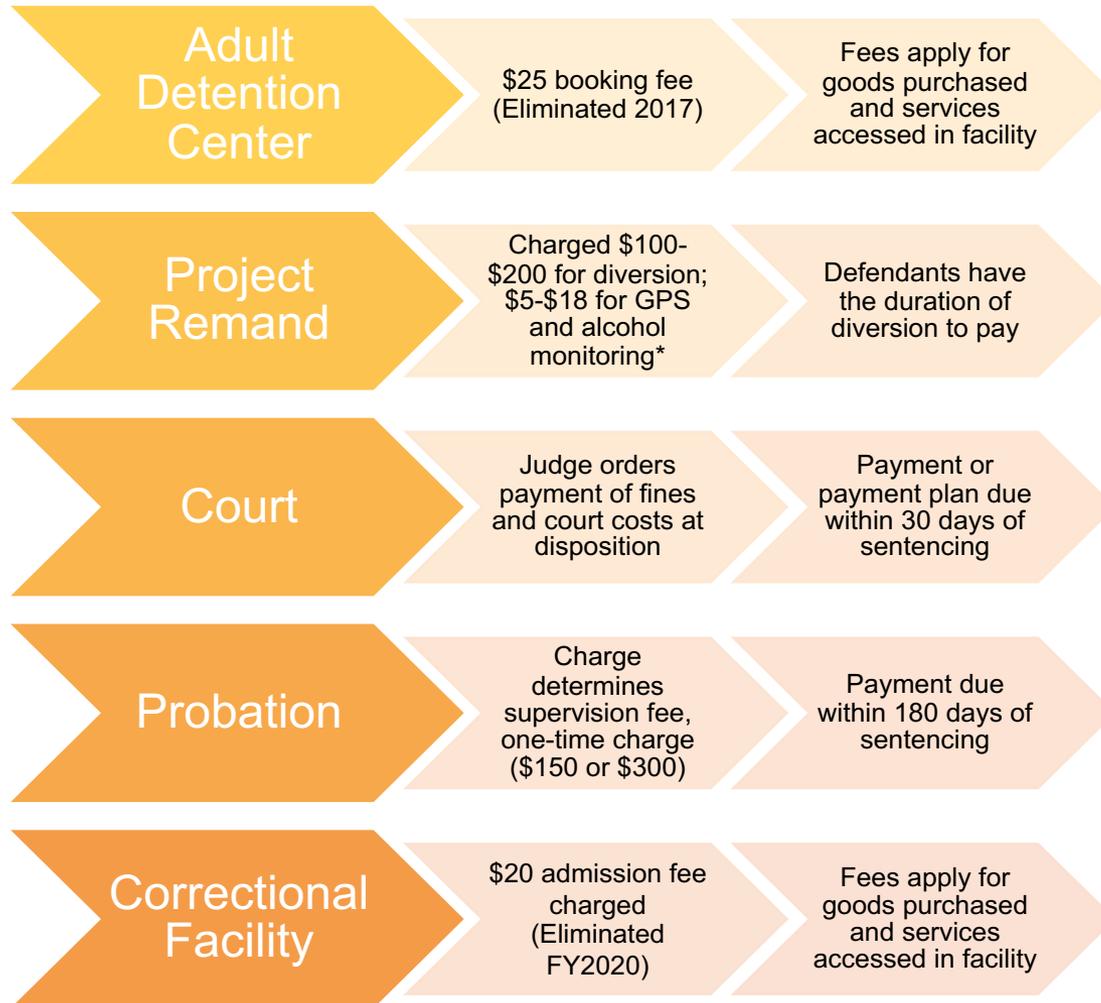


## Direct Costs of Collecting Revenue in Ramsey County

- ◆ Ramsey County has very few direct costs related to collecting criminal fines and fees.
- ◆ For cases with court ordered fines and fees, the Court attempts to collect payment on fines and fees for 30 days, using a system that is largely automated, and then sends the debt to the MN Department of Revenue to attempt collection, largely by deducting it from tax returns.
- ◆ For payable offenses with a conviction but no final disposition (e.g. stayed conviction, continuance for dismissal, a diverted case), the Court cannot send the debt to the State, but will suspend driver licenses for defendants with moving violations, until payment is completed.
- ◆ The Court incurs minimal postage costs related to reminder letters sent to defendants with unpaid fines and fees 30 days and 60 days post-conviction.
- ◆ Community Corrections has 1 FTE responsible for collecting fees (\$87,463 salary/benefits), but similar to the Court, it sends debt to the State 12 months post-sentencing.
- ◆ The MN Department of Revenue is not paid directly to manage collections. The State adds 20% to each unpaid Court debt as payment and withholds \$15 of every revenue recapture made on behalf of Community Corrections, and sends the department the remaining funds.
- ◆ Fees assessed by Project Remand, the Correctional Facility (RCCF) and the Adult Detention Center are collected by staff who dedicate 100% of their time to non-collections activities.



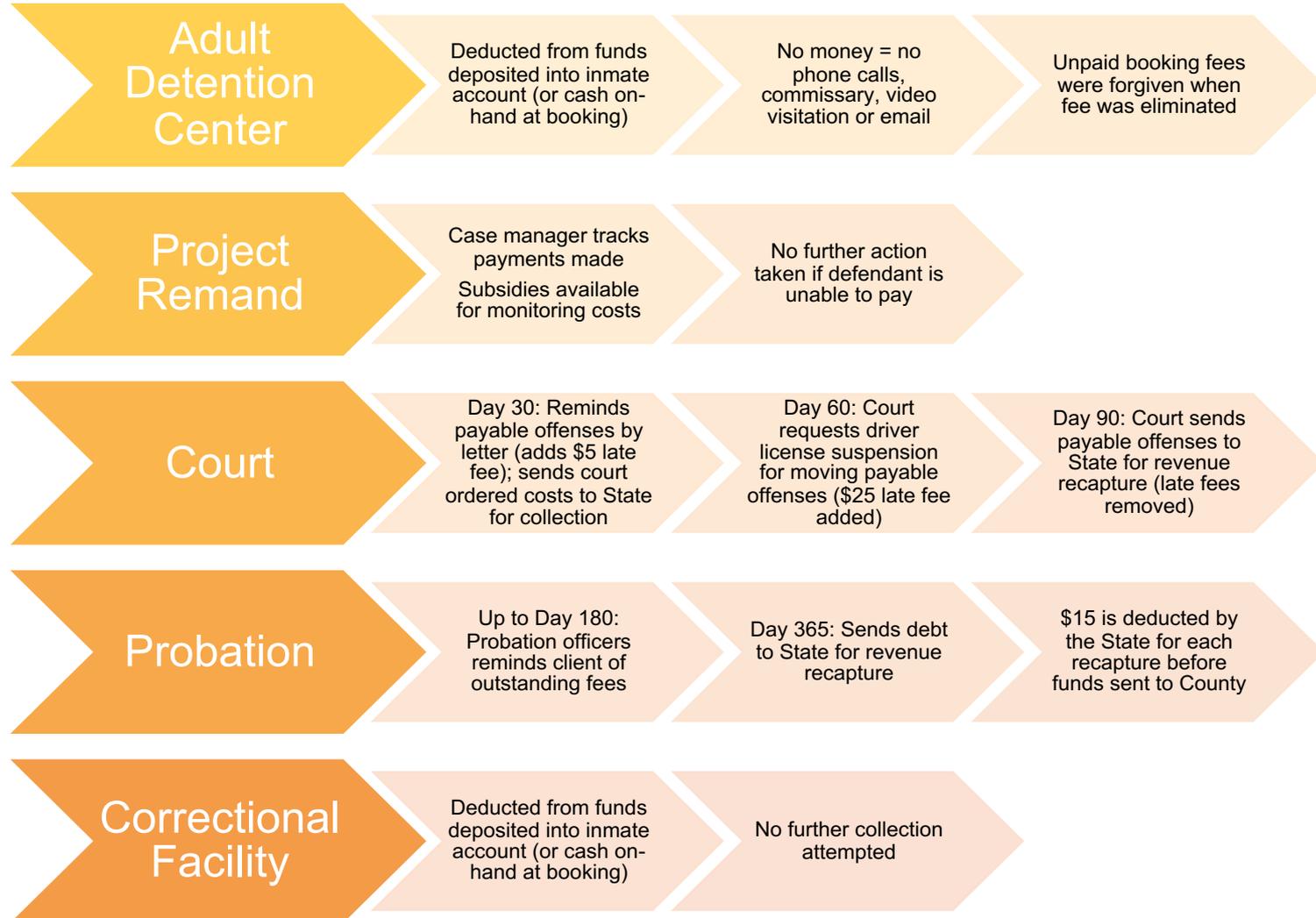
## Assessment Process in Ramsey County



\* In July 2019, the County released an RFP for the County Attorney's diversion program that requested vendors refrain from proposing fees for diversion clients. A vendor has not yet been selected, so this fee may be eliminated in future years.



## Collections Process in Ramsey County





## Options for Defendants Unable to Pay Court Fines and Fees

- ◆ If defendant has been found indigent, judge can reduce fines to \$50, but must impose \$76 in court costs (\$75 surcharge + \$1 Ramsey County surcharge). However, the Law Library Fee is typically assessed as well (\$10).
- ◆ Minimum court-imposed fines and fees for indigent defendants: \$126.
- ◆ Judges can waive discretionary fees and can establish payment plans for all fines and fees, but they cannot waive mandatory fines and fees for indigent defendants.
- ◆ Community service is not offered in lieu of fines and fees.
- ◆ Defendants can request a waiver post-sentencing, but they must do it within 30 days.



## Options for Probationers Unable to Pay Supervision Fees

- Standard fee is \$300, but a probationer may request for it to be waived if declared indigent by the court.
- Since 2018, probationers on administrative probation for DWI offenses and other low-level offenses pay \$150. If these probationers complete their conditions of probation within 6 months of sentencing, they may have their fee waived.
- Some probationers at the Probation Reporting Center (PRC) pay \$6 per month for telephone supervision reporting plus a \$2.50 processing fee.



## Indirect Costs of Collecting Revenue in Ramsey County

- ◆ Many jurisdictions use the authority of the criminal justice system to compel defendants to make payment on their fines and fees. This can include post-disposition court hearings, probation violations or extended suspended sentences, and jail time.
- ◆ Second District Court and Community Corrections do not exercise this authority, which means there are few indirect costs related to collecting fines and fees.
- ◆ Since 2014, judges in Second District Court no longer issue warrants for failure to pay fines and fees, and payment of fines and fees is not a condition of probation. Failure to pay, alone, is not enough to result in a probation violation.
- ◆ For probationers, failure to pay fines and fees is a “low misconduct” activity, which, according to Community Corrections’ sanction grid, results in an administrative response, such as a verbal warning, increased alcohol/drug testing frequency, unannounced field visits, etc.
- ◆ There may be indirect costs if adult recidivism increases as a result of criminal justice debt, Ramsey County would be incurring the costs of law enforcement, detention, prosecution, defense, judiciary and supervision for those additional arrests.



## County Actions to Forgive Outstanding Debt

- ◆ MN Department of Revenue returns unpaid fines and fees to the assessing department after four years, but the debt exists and continues to impact defendants' licensure and criminal record for an additional two years with Community Corrections.
- ◆ Community Corrections writes off unpaid fees six years after disposition, but does not attempt further collections in the two years after it's returned.
- ◆ Eliminating County-authorized fees is the first step to reducing the impact of fines and fees on residents. The County could ***forgive outstanding debt related to probation, diversion supervision, and historical bookings in the Adult Detention Center and Correctional Facility.***
- ◆ The County would forego efforts to collect approximately \$125,000 in outstanding debt from Community Corrections and the Sheriff's Office.



## Ramsey County as a Pilot for Day Fines

- ◆ In Europe, day fines are commonly used as an alternative to incarceration.
- ◆ Under a day fines model, fines and fees are scaled on the basis of daily income.
  - For example, the daily income of an individual making \$100,000 annually would be \$274 per day and the income of an individual making \$12,490 annually would be \$34 per day.
  - Rather than a minimum or maximum fine set by dollar amount, the Court would have the ability to set fines and fees based on a set number of “days” of income that increase with the severity of the offense.
  - A certain offense might carry a maximum penalty of 2 days. Under a day fine system, the defendant earning \$100,000 would have a maximum fine of \$548 while the defendant earning \$12,490 would have a maximum penalty of \$68.
- ◆ The County should consider seeking state legislation that would allow for piloting of a day fine model in Second District Court.



## Revenue Option: Voluntary Payments in Lieu of Taxes with Tax Exempt Property Owners (PILOT)

- In 2019, the estimated market value of tax-exempt property in Ramsey County was \$11.7 billion. Most of the value of tax-exempt property was for parcels owned by federal, state or local government and public schools. But private colleges and private hospitals account for \$1.6 billion in value – or 3% of the market value of taxable property.
- In Boston, tax exempt organizations that own more than \$15 million in property are asked to voluntarily contribute the equivalent of 25% of what they would pay if property was taxable: Boston allows for offsets based on community benefits (so-called SILOTs). In FY 2019, the voluntary program in Boston generated \$34.2 million in revenue.
- To win support for PILOT payments, Ramsey County would need to work closely with anchor institutions to identify targeted investments for PILOTs (e.g. dedicated funding for health initiatives, education, infrastructure) and support joint planning and partnerships around specific projects.
- Given the mission and purpose of many of the tax exempt institutions in the County, it should be possible to negotiate voluntary contributions into a Ramsey County Justice and Equity Fund – with a focus on initiatives related to public health and advancing the County's efforts at justice reform in both the juvenile and adult systems.



## Revenue Option: Increase Property Tax

- ◆ Ramsey County is limited in its revenue options. Counties – like most local governments – are “mere political subdivisions” of state governments: as a result, their taxing authority is defined and limited by state law.
- ◆ Property taxes are the County’s largest revenue source. In FY 2018, the County received \$328.4 million in property taxes (52% of all revenue raised).
- ◆ To offset fee revenue, the most straight-forward approach for the County is to raise property taxes. The County already appears to be considering a 4.75% increase in the levy in FY 2020 and 4.5% in FY 2021 to fund its “equity and inclusion” initiatives.
- ◆ Ramsey County has a sales tax, but pursuant to state law, revenue collected from the sales and use tax of 0.50% is dedicated to transportation. The County could seek an additional sales tax levy, but state law currently provides that it must be dedicated to support funding for infrastructure.
- ◆ Ramsey County has a wheel tax that generated \$8.3 million in FY 2018 revenue. But set at \$20 per vehicle registration, the County is already at the limit imposed by the state.



## Other Recommendations

- ◆ There is relatively little research on the ***impact of criminal justice debt on recidivism***. The only significant study to date found that, when controlling for other factors, recidivism rates for juveniles were higher for those with criminal justice debt than for juveniles without debt. The County should work with a local university and the state to quantify the long-term criminal justice impacts of fines and fees on residents by ***measuring recidivism rates among indigent defendants assessed fines and fees*** compared to those with financial means (or no fines and fees). The financial impact of continued involvement in the criminal justice system should be factored into ongoing cost benefit analyses of eliminating or scaling additional fines and fees.
  
- ◆ The forthcoming RFP for pretrial and diversion supervision is one example where the County can ***align its values around equity with the language it uses to contract for services***. The County contracts with vendors for services in its Correctional Facility and Adult Detention Center, pretrial and diversion supervision, GPS and alcohol monitoring, and more. For example, San Francisco and New York City have led the way eliminating fees for phone calls and reducing the mark-up on commissary items by directly funding the services and removing options for revenue sharing.



## Other Recommendations

- ◆ RFPs and contracts also provide an opportunity for the County to ***ensure greater transparency regarding money collected by vendors from participants and performance***. The County should implement more direct language requiring vendors to share how much money is collected each quarter, from whom (types of participants), for which services, and how participants perform in their programs (e.g. completion rates, re-arrest rates, failure to appear rates, etc).
  
- ◆ The County will develop stronger strategies to advance racial and health equity and to transform systems if it ***collects data that enables assessment of the racial impacts of decisions*** made by criminal justice departments, and to assess how the system functions for those with and those without financial means.